Saab-Scania honors 3 researchers

STOCKHOLM, Sweden — At a ceremony here in historic City Hall, where the Nobel Prize is awarded, King Carl XVI Gustaf of Sweden recently presented the first Saab-Scania Prize to three auto industry researchers.

One German and two Swedish engineers shared the prize for their seperate work in development of emission control equipment and refinements to the turbocharged engine.

Saab-Scania initiated the new biennial award to recognize technical achievements in areas related to the Swedish manufacturer's automotive and aerospace operations.

"We like to look on ourselves as a technically oriented company," said Saab-Scania president Georg Karnsund. "This is very much according to the philosophy of this company to recognize important things."

Karnsund said the contest and its 250,000 krona ($40,000) cash value will be open to technical innovators around the world, not just Saab-Scania employees.

The first Saab-Scania Prize was shared by Gunther Baumann of Robert Bosch GmbH of West Germany and Bengt Gadefelt and Per Gillbrand of Saab-Scania.

CLAS GORAN CARLSSON

Left to right: King Carl XVI Gustaf; Baumann; Gadefelt; Gillbrand.

In the early 1970s, Baumann headed a research team involved in development of a control system that was a prerequisite for the three-way catalytic converter technique used worldwide for cleaning exhaust emissions.

Development of the system took on enormous significance at the time because of the adoption of strict new auto emissions regulations in the U.S.

Volvo in 1976 became the first car manufacturer to introduce the Bosch system in the U.S., with Saab following a few months later. Large-scale production of the system began in 1980.

Baumann, 57, has been head of Bosch's central research department since 1982. His share of the prize was 125,000 krona.

Gadefelt was honored for being among the leaders in the development of Saab's turbocharged engine. Introduced in 1977 on a version of the Saab 99, the Saab turbo touched off a worldwide automotive trend.

Gillbrand was also recognized for his contributions to Saab's turbocharging research and for his key involvement in the turbo engine's Automatic Performance Control (APC), a patented system which enables the turbo engine to perform optimally without prior adjustment when using fuels of various octane levels. The APC complement to the Saab turbo has been in serial production since 1981.

Gadefelt, 53, is now head of the engine design sector of the Scania Div. Gillbrand, 53, is head of engine experiments at the Scania Div. The two men each received 62,500 krona as their share of the cash award. ■

Vehicle Production in Japan

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	4,608,830	4,708,262	– 2.1
Trucks	2,581,812	2,652,887	– 2.7
Buses	29,606	26,686	+10.9
Total	7,220,248	7,387,835	– 2.3

Japanese Passenger Car Production, By Size*

	7 mos., 1987	7 mos., 1986	% change
Regular	297,849	294,307	+1.2
Small	4,232,101	4,326,832	–2.2
Mini	78,880	87,123	–9.5
Total	4,608,830	4,708,262	–2.1

*—Sizes are based on piston displacement: Regular, 2,001cc and larger; Small, 551cc to 2,000cc; Mini, 550cc and smaller.

New Vehicle Registrations in Japan

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	1,962,903	1,942,322	+1.1
Trucks	1,615,651	1,529,004	+5.7
Buses	14,688	14,092	+4.2
Total	3,593,242	3,485,418	+3.1

Japanese Vehicle Exports*

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	2,669,986	2,796,084	– 4.5
Trucks	1,095,179	1,223,042	–10.5
Buses	19,285	16,676	+15.6
Total	3,784,450	4,035,802	– 6.2

*—Includes knock-down kits exported to overseas countries for assembly.

Japanese Exports to the U.S.*

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	1,223,144	1,369,766	–10.7
Trucks	585,234	652,261	–10.3
Buses	1	0	—
Total	1,808,379	2,022,027	–10.6

*—Includes Alaska and Hawaii, but not Puerto Rico and other island territories.
SOURCE: Japan Automobile Manufacturers Association

OVERSEAS REGISTRATIONS

NETHERLANDS
Cars

	6 mos., 1987	6 mos., 1986
BMW	7,530	8,204
Daihatsu	4,168	3,636
Fiat Auto	23,590	26,574
Fiat	19,758	22,506
Lancia	921	1,399
Alfa Romeo	2,911	2,669
Ford	36,738	38,706
GM-Opel	60,926	59,964
Honda	7,723	8,470
Hyundai	2,646	665
Jaguar	346	265
Lada	8,448	7,328
Mazda	15,417	14,696
Mercedes-Benz	7,425	7,956
Mitsubishi	9,846	8,905
Nissan	19,584	15,051
Peugeot SA	40,768	40,494
Citroen	18,824	19,356
Peugeot/Talbot	21,945	21,138
Renault	15,788	18,460
Rover Group	2,942	3,204
Saab	1,504	1,698
Skoda	2,511	3,031
Subaru	3,041	2,602
Suzuki	10,227	8,629
Toyota	17,354	17,565
VW Group	40,269	34,930
Volkswagen	30,307	27,930
Audi	5,990	4,229
Seat	3,972	2,771
Volvo	17,654	17,621
Others	694	896
Total	357,140	349,550

FINLAND
Cars

	6 mos., 1987	6 mos., 1986
BMW	1,536	1,714
Daihatsu	294	398
Fiat/Lancia	2,973	3,375
Ford	6,493	6,890
FSO	289	277
GM-Opel	7,501	7,786
Honda	3,325	3,019
Lada	8,630	6,501
Mazda	5,329	5,840
Mercedes-Benz	1,744	1,712
Mitsubishi	4,586	4,287
Nissan	9,055	9,298
Peugeot SA	4,057	3,395
Citroen	1,068	1,108
Peugeot/Talbot	2,989	2,287
Renault	688	680
Saab	3,972	3,926
Skoda	952	1,000
Subaru	562	358
Suzuki	646	774
Toyota	12,655	10,591
VW Group	7,193	7,491
Volkswagen	4,746	5,215
Audi	1,395	1,191
Seat	1,052	1,085
Volvo	4,812	4,100
Wartburg	233	306
Others	499	663
Total	88,024	84,381

SWEDEN
Cars

	8 mos., 1987	8 mos., 1985
BMW	3,834	3,144
Bertone	0	12
Daihatsu	1,064	920
Fiat Auto	5,865	5,303
Fiat	3,821	2,836
Lancia	1,111	1,607
Alfa Romeo	933	860
Ford	22,782	19,352
GM-Opel	20,943	16,418
Honda	2,513	2,682
Isuzu	89	0
Jaguar	71	31
Lada	1,667	1,130
Mazda	9,406	8,285
Mercedes-Benz	5,050	5,020
Mitsubishi	2,157	1,479
Nissan	10,794	9,071
Peugeot SA	6,849	4,560
Citroen	2,590	1,936
Peugeot/Talbot	4,259	2,624
Porsche	342	377
Renault	2,915	2,105
Rolls-Royce	11	3
Rover Group	7	0
Saab	17,059	17,079
Skoda	73	113
Subaru	1,063	927
Suzuki	1,301	659
Toyota	14,075	9,573
VW Group	24,873	19,927
Volkswagen	15,733	12,697
Audi	9,140	7,230
Volvo	47,171	39,994
Others	225	78
Total	199,284	166,138

DENMARK
Cars

	6 mos., 1987	6 mos., 1986
BMW	1,171	2,063
Dacia	71	237
Daihatsu	1,200	2,089
Fiat Auto	4,511	5,121
Fiat	4,117	4,808
Lancia	66	0
Alfa Romeo	328	313
Ford	8,629	13,248
FSO	396	811
GM-Opel	11,339	17,341
Honda	1,430	1,953
Jaguar	32	17
Lada	2,362	0
Mazda	6,428	10,347
Mercedes-Benz	803	724
Mitsubishi	1,432	405
Nissan	3,492	5,481
Peugeot SA	7,367	6,774
Citroen	4,312	4,598
Peugeot/Talbot	3,055	2,170
Porsche	8	17
Renault	186	579
Rover Group	363	227
Saab	594	994
Skoda	1,760	2,023
Subaru	215	360
Suzuki	45	198
Toyota	7,751	12,443
VW Group	5,883	8,716
Volkswagen	4,504	7,582
Audi	780	511
Seat	599	623
Volvo	2,655	3,844
Wartburg	494	443
Zastava	530	851
Total	68,132	97,306

UNITED KINGDOM
Cars

	6 mos., 1987	6 mos., 1986
BMW	28,521	27,670
Daihatsu	3,962	3,956
Fiat Auto	55,883	49,515
Alfa Romeo	1,540	1,775
Fiat	51,817	45,609
Lancia	2,526	2,130
Ford	413,412	374,238
FSO	3,375	3,422
GM-Vauxhall	201,585	217,219
Honda	16,775	14,811
Hyundai	6,261	5,278
Jaguar	8,207	5,320
Lada	17,626	14,882
Lotus	330	323
Mazda	11,788	13,445
Mercedes-Benz	16,161	14,717
Mitsubishi	8,925	8,649
Nissan	76,800	74,006
Panther	81	37
Peugeot SA	104,390	90,727
Citroen	33,633	25,367
Peugeot/Talbot	70,757	65,368
Renault	58,432	52,123
Rolls-Royce	631	628
Rover Group	225,635	228,355
Austin Rover	222,036	225,236
Range Rover	3,599	3,119
Saab	7,451	7,566
Skoda	10,098	8,722
Subaru	3,258	2,413
Suzuki	3,892	3,226
Toyota	27,750	27,258
VW Group	87,392	87,073
VW-Audi	80,976	82,986
Seat	6,416	4,087
Volvo	50,732	49,104
Zastava	5,897	6,083
Others	2,786	3,541
Total	1,459,719	1,394,680

WEST GERMANY
Cars

	7 mos., 1987	7 mos., 1986
BMW	92,805	94,141
Bertone	144	264
Daihatsu	6,806	7,352
Fiat Auto	83,974	81,563
Fiat/Lancia/ Ferrari	79,712	76,893
Alfa Romeo	4,262	4,670
Ford	177,004	181,020
GM-Opel	281,042	266,170
Honda	27,407	29,756
Isuzu	3,277	3,234
Jaguar	1,407	1,196
Lada	6,497	6,259
Mazda	53,118	51,241
Mercedes-Benz	177,160	181,051
Mitsubishi	41,456	36,852
Nissan	49,313	48,159
Peugeot SA	76,004	82,157
Citroen	27,920	29,191
Peugeot	48,084	52,966
Porsche	5,665	7,558
Renault	54,348	55,803
Rover Group	6,339	7,828
Saab	3,399	3,024
Skoda	1,534	2,096
Subaru	8,958	8,852
Suzuki	15,135	13,478
Toyota	55,086	53,706
VW Group	526,164	478,611
Volkswagen	394,264	383,163
Audi	125,700	92,583
Seat	6,200	2,865
Volvo	9,861	10,751
Others	3,573	3,513
Total	1,767,476	1,715,721

SWITZERLAND
Cars

	6 mos., 1987	6 mos., 1986
BMW	7,549	5,713
Bertone	30	164
Daihatsu	615	561
DeTomaso	105	148
Innocenti	53	58
Maserati	52	90
Fiat Auto	16,224	17,746
Alfa Romeo	3,074	3,811
Ferrari	147	165
Fiat	10,302	10,833
Lancia	2,701	2,937
Ford	12,874	14,539
GM-Opel	22,365	23,455
Honda	4,375	5,008
Isuzu	327	425
Jaguar	367	254
Lada	237	99
Lamborghini	10	8
Mazda	4,869	5,834
Mercedes-Benz	4,756	5,050
Mitsubishi	6,751	4,610
Nissan	7,397	5,568
Peugeot SA	14,529	14,728
Citroen	5,989	5,226
Peugeot/Talbot	8,540	9,502
Porsche	718	1,045
Puch	52	48
Renault	9,644	9,406
Rolls-Royce	50	66
Rover Group	1,055	1,322
Saab	1,176	1,134
Skoda	37	74
Subaru	7,538	6,713
Suzuki	2,081	1,926
Toyota	14,352	13,678
VW Group	26,386	27,534
Volkswagen	17,864	18,306
Audi	6,654	7,455
Seat	1,868	1,773
Volvo	2,963	3,285
Others	318	278
Total	169,750	170,419

AUCTION BRIEFS

Chrysler Motors Fleet Operations presented **Joe Maltese,** president of Aptco Auto Auction in Detroit, with an award for being the leading auto auction in nationwide dollar volume of Chrysler vehicles in 1986. Aptco sold 5,020 Chrysler corporate fleet vehicles in 1986 for a gross total of $45,786,375. Aptco is a subsidiary of Anglo American Auto Auctions Inc.

The Greater Twin Cities Collector Car Auction, featuring 250 cars valued at about $5 million, will be held Oct. 17 at the Minnesota State Fair Grounds in St. Paul, Minn. The auction will be conducted by Indiana-based Kruse International. Early entries include a 1929 Ford Model A roadster with a rumble seat, a 1957 Chevrolet Bel Air convertible and a 1956 Ford Thunderbird.

Anglo American Auto Auctions Inc., Nashville, Tenn., has named **Mike Franklin,** of Nashville Auto Auctions Inc., fleet-lease manager of the year. Franklin, who is fleet-lease manager and assistant general manager of the Nashville auction, won the award for his consistently high performance throughout the year. Nashville Auto Auctions is a subsidiary of Anglo American Auto Auctions Inc.

Greater Miami Auto Auction Inc., Miami, named Michael A. Penn president. Penn had been employed by Sun Chevrolet Inc., Miami.

Indiana-based Kruse International will sponsor the fourth annual **Ozarks Auto Show Auction** Oct. 31-Nov. 1 at the Ozarks Auto Show museum in Branson, Mo. The show will feature a restored 1930 Duesenberg LaGrande Phaeton. Other classic cars at the show will include a 1902 Oldsmobile, a 1941 Packard 110 Deluxe convertible, a 1936 Cord Model 810 Westchester and a 1967 Ferrari 330 GT 2+2.

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Anglo American in limo market

2nd auction is this week; Chicago's Arena expects 150 cars

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Arena Auto Auction Inc. will break new ground in the Chicago area Oct. 2 when more than 150 limousines go on the block.

The auction hopes to find a market for limousines among Chicago-area livery services, hotels, dealers and funeral directors.

"Ninety-nine percent of the trade will be among dealers and airport livery and limo services," said Mike Eggleston, manager of Arena Auto Auction.

But he also said there could be a narrow market for the hybrid vehicles among Chicago-area funeral homes.

This will be the second auction in the nation devoted exclusively to the sale of limousines — the first was held July 17 at the Baltimore-Washington Auto Exchange Inc. in Maryland.

Limousine auctions are being promoted by Anglo American Auto Auctions Inc., Nashville, Tenn., which also has expanded into heavy-truck auctions in recent months. It also plans a boat auction. Arena Auto Auction and Baltimore-Washington Auto Exchange are part of the Anglo American network.

Michael J. Richardson, president of Anglo American, said "the limousine market is maturing and presently there is not a fully developed market with price guides and monitoring. We hope to develop that in the future."

But the introduction of limousines into Anglo's chain of auctions poses several challenges to the company's auction managers. Among them are determining prices for limousines and identifying exactly who might buy them.

"We didn't know who would come to the auction for a limousine sale," said Bud Burdge, manager of the Baltimore-Washington Auto Exchange. "The first customers who came to mind were hotels, livery companies and funeral directors." Most of the customers who came were dealers, but after the auction he received calls from hotel representatives.

Although Burdge was encouraged by the results of the sale, he said other problems included estimating prices for the vehicles and determining what bids owners would accept for the vehicles.

For example, when a 1982 Rolls-Royce went on the auction block, the final bid was $35,000 or roughly the price Burdge expected it would bring. However, it turned out the seller wanted $50,000.

"I think the owner was just getting a feel for what it was worth," Burdge said. "The main thing was that we got a lot of curiosity seekers in to see what a limousine could do at an auction."

Seventy limousines went through the auction and 18 were sold. Average selling price was $15,500. Seventy-five dealers attended along with 36 sellers and 15 buyers.

A seller rejected a $1,000 bid for a 1965 Lincoln, and a 1985 Mercedes limousine drew the top selling price of $23,000. The majority of the vehicles were stretched Lincoln Town Cars but there also were custom-extended Cadillacs, Chrysler LeBarons and Pontiac 6000 models. Mileage ranged from 20,000 to more than 100,000.

Limousines for the Chicago sale will be consigned from corporate fleets, manufacturers, financial institutions, leasing and rental companies and dealers.

Burdge said most limousines had reserve bids of $9,000 to $10,000 for the Maryland auction.

The Chicago sale will be open to the public and dealers.

Lansing auction to sell GSA units

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

For the first time, the federal government is relying on a private contractor to sell its vehicles.

Greater Lansing Auto Auction Corp., Lansing, Mich., signed a three-year agreement with the U.S. General Services Administration to dispose of its vehicles. The first public auction will offer 650 1981-84 cars and trucks and will be held Oct. 10.

"We are in the midst of a three-year replacement cycle and needed somewhere to sell a lot of cars in a hurry," said Gene Hatfield, GSA deputy director of fleet services.

The GSA employs its own auctioneers but decided to contract with a private company because of the large number of cars it has to unload.

Greater Lansing Auto Auction will be paid a flat rate of $103 per vehicle sold and $97.50 each for reconditioning, storage and transportation, according to Gary Bender, vice president — fleet and lease group. There will be no fee for buyers, and all vehicles will have a minimum bid.

Hatfield said this is the first time the GSA has sold vehicles through a private auction. Cars and trucks will come from five states — Michigan, Wisconsin, Minnesota, Illinois and Ohio.

A broad range of makes and models will be auctioned including Plymouth Reliant; Chevrolet Citation, Celebrity and Beauville vans; and Ford Bronco.

Vehicles all have between 50,000 and 60,000 miles, Hatfield said. Government agencies selling the vehicles include the military, Federal Aviation Administration, Department of Agriculture, National Weather Service and Housing and Urban Development.

Vehicles do not carry any government identification.

"The federal government stopped putting insignias on painted surfaces several years ago to reduce vandalism of its cars," Hatfield said.

Bender said early response to the sale by dealers has been positive even though it will be a public sale. The Greater Lansing Auto Auction is normally a dealer-only sale.

"We felt it would be a good way to expose the general public to another market," Bender said. "The buying public is not used to buying cars through auctions."

AUCTION DATES

American Motors

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 30 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Auto Auction, Columbus, Ohio

Chrysler Corp.

Sept. 29 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Sept. 30 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 1 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction

Ford Motor Co.

Sept. 29 — South Seattle Auto Auction, Kent, Wash.

Sept. 30 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

Oct. 1 — Aptco Auto Auction, Taylor, Mich.; Houston Predelivery Center, Houston; Minneapolis Auto Auction, Plymouth, Minn.; and St. Louis Auto Auction, Bridgeton, Mo.

Oct. 6 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 7 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

General Motors

Sept. 29 — Harrisonburg Auto Auction, Harrisonburg, Va., and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 30 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

Sept. to date	$6,047
Month ago	$6,070
Year ago	$5,209

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,385	$11,726	$11,512
1986	$8,860	$8,934	$9,032
1985	$7,332	$7,385	$7,394
1984	$5,742	$5,754	$5,756
1983	$4,960	$5,016	$5,081
1982	$3,621	$3,648	$3,684
1981	$2,587	$2,632	$2,642
1980	$2,047	$2,072	$2,068
Overall Average	$6,047	$6,070	$6,030

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Automotive News Classifieds Get Results

Sales famine continues; mid-September down 45%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Despite the approaching conclusion of the Big 3's consumer rebates and 1.9 percent financing, mid-September domestic-car sales declined 45.14 percent from a year ago. Most of the incentives are due to die this week.

Only Nissan and Honda reported gains, and Honda's was only three units.

Sales for the Sept. 11-20 period slumped to 161,633 compared with a record 294,641 last year.

There were eight selling days in the period this year and nine last year. The mid-month daily selling rate dipped to 20,204, down 38.29 percent from an average of 32,738 in 1986.

Mid-September's sales decline was not as steep as early-September's 51.85 percent dropoff. For the first 20 days of September, sales were down 48.87 percent — 339,145 this year and 663,321 in 1986.

The Big 3 automakers reported sales declines of 39 percent to 57 percent in mid-September compared to a year ago. Ford Motor Co.'s retail deliveries were down 38.84 percent to 47,228 from 77,224 last year.

General Motors sold 79,675 cars in the period compared to 157,534 a year ago for a drop of 49.42 percent. The dip was less severe than in early September when GM sales plummeted 60.79 percent from the year-ago period.

DOMESTIC SALES

	Sept. 11-20, 1987	Sept. 11-20, 1986
Eagle	550	2,580
Chrysler	7,836	16,458
Plymouth	5,964	12,684
Dodge	7,360	18,524
Chrysler Motors	21,710	50,246
Ford	31,053	51,391
Mercury	12,105	18,888
Lincoln	4,070	6,945
Ford Motor Co.	47,228	77,224
Buick	15,000	23,018
Cadillac	6,107	13,492
Chevrolet	30,895	53,392
Oldsmobile	15,148	39,952
Pontiac	12,525	27,680
General Motors	79,675	157,534
Volkswagen	1,281	2,092
Honda	5,553	5,550
Nissan	3,313	1,995
Toyota	2,873	0
U.S. Industry Total	161,633	294,641

Chrysler Motors' sales were off 56.79 percent. Chrysler dealers delivered 21,710 cars from Sept. 11-20 compared to 50,246 in 1986. Last year, Chrysler reported that mid-September sales, including imports, set a record for any mid-month period in its history.

Nissan reported a 66.07 percent gain in sales for mid-September with 3,313 vs. 1,995 a year ago. Honda's figures were 5,553 for the period compared with 5,550 last year. Volkswagen's sales of 1,281 were down 38.77 percent from 2,092 in 1986. Toyota's total was 2,873; it was not selling U.S.-built cars at this time last year.

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OUTPUT

FROM PAGE 1

O'Grady also agreed that GM will most likely be struck for a minimum of two weeks but, more likely, closer to a month. The strike would trim some units off GM's schedule but the carmaker may also have to make some production cuts in the fourth quarter, he added.

GM's fourth-quarter schedule calls for 887,350 cars 9.16 percent below the year-ago period's 976,803.

Michael Luckey, Shearson Lehman Brothers analyst, said GM's production schedule seems too aggressive. Assuming GM's estimate, it will have about a 100-day supply on Dec. 31, he said.

A strike against GM seems highly likely and could prove to be lengthy — probably one month, he said. GM may not mind taking a strike to get a better contract while trimming its inventory, he said.

Luckey said Chrysler's fourth-quarter forecast also appears to be too aggressive. Chrysler's car sales have slowed down in the last couple of months, he said. Assuming its market share rebounds in the fourth quarter because of sales of the Omni/Horizon America and Aries/Reliant America models, Luckey is predicting that Chrysler will end the year with about a 110-day supply of cars.

Chrysler's forecast of 303,000 cars for the fourth quarter is down 2.48 percent from the year-ago quarter's 310,715. Chrysler numbers include those of its Jeep-Eagle Division and its predecessor, American Motors.

Ford Motor Co. boosted its fourth-quarter schedule 8.43 percent to 474,000 compared to the year-ago period's 437,136.

Honda of America Manufacturing plans to build 77,420 cars in the fourth quarter, almost unchanged from the 77,095 built during the same period of 1986.

Volkswagen of America expects to assemble 22,000 units in the fourth quarter, 5.11 percent more than the 20,930 built during the same time last year.

Nissan Motor Manufacturing Co. U.S.A. projects that 15,232 cars will be built in the quarter, 54.58 percent below the 33,539 assembled in the fourth quarter of 1986. The decrease is due to the company's plan to start building more trucks and fewer cars at its plant in Smyrna, Tenn.

New United Motor Manufacturing Inc. scheduled 42,500 units for the fourth quarter, 10.15 percent below the 47,299 completed in the same quarter of 1986.

Mazda Motor Manufacturing, which recently began building cars in Flat Rock, Mich., was not able to estimate its fourth quarter build.

FOURTH QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	887,350	976,803	−9.16
Ford	474,000	437,136	+8.43
Chrys*	303,000	310,715	−2.48
Honda	77,420	77,095	+0.42
NUMMI	42,500	47,299	−10.15
Nissan	15,232	33,539	−54.56
VW	22,000	20,930	+5.11
Industry	1,821,502	1,903,517	−4.31

*1986 number includes American Motors.

FOOTBALL

FROM PAGE 1

ence we anticipated when we signed up for the NFL games," a Ford spokesman said.

"We presume that the ratings would be lower for games played with substitute players and we will work with the networks for alternatives if it becomes necessary," he said.

"The value of advertising on the Detroit Lions vs. the Chicago Bears, and the value of advertising on the Cookie Monsters vs. some other non-descript team is not the same," said a Chrysler spokesman.

Since most of the available slots for advertising on the networks have been purchased, automakers may have to buy out other advertisers on programs at premium prices or wait until there is advertising time available later. The latter is less desirable since automakers are anxious to tout their new models now to get buyers in showrooms.

Of all the GM divisions, Buick could feel the effects of the NFL strike the most since it is the only GM division that is introducing an all-new model this fall. Buick will introduce its 1988 Regal, the first product to come out of GM's $5 billion GM10 program, on Thursday.

Jay Qualman, Buick general director of advertising, said the NFL games were "a major part of the promotion of the Regal," but he said he did not expect the strike to affect sales.

"If the strike lasts a month, it could adversely affect advertisement on the Regal by 5 to 10 percent" if Buick chooses to shift its money to other shows later in the model year, he said.

Buick is set to launch its Regal television advertising campaign tonight during ABC's broadcast of the movie "Star Trek III," which replaces "Monday Night Football."

Qualman said approximately 10 percent of Buick's total television budget has been set aside for advertising spots on NFL games.

Other GM divisions, such as Chevrolet and Cadillac, were said to be looking at contingency plans for their NFL ads.

Toyota, another big NFL advertising sponsor, is planning to launch its 1988 television advertising campaign Oct. 22 during an NFL game on CBS. A Toyota spokesman said it is too soon to say what the company will do if the NFL players are still striking at that time.

RENAULT

FROM PAGE 2

would conduct a third investigation into state aid provided to Renault over the past three years.

Renault received from the state, its sole shareholder, some 10 billion French francs ($1.65 billion) in fresh capital between 1985 and 1987.

Two days later, Madelin announced a plan to modify Renault's extraordinary statutes so that it would become a company "like the others."

Renault's current statutes, which date back to nationalization by General Charles de Gaulle in 1945, are such that the company cannot go bankrupt, even though its balance sheet is currently negative to the tune of 16.4 billion francs ($2.7 billion).

But, before the government can give Renault the legal statutes of a normal private or nationalized company, it must restructure the group's balance sheet. It would not technically be possible to launch a new "Renault Motor Co. Inc." with a negative equity — not to mention some 54 billion francs in ($8.9 billion) debts.

The government has not given an explanation of its plan. But at the Frankfurt auto show earlier this month a few ideas were provided by Renault's Levy.

Levy expects to receive fresh capital from the state, but he does not know how much. He sent a letter to the government last spring asking for financial help, just as Georges Besse, then-president of Renault, had done in July 1986.

Levy provided the government with more details about Renault's condition and the company's outlook for 1988-89 in another letter sent in July. In that letter, Levy reportedly announced that Renault would make a corporate net profit of more than 1 billion francs ($165 million) in 1987.

Levy said in an interview, "If I get a reasonably restructured balance sheet, I can engage myself to go on without any further state aid. I reckon that I could soon go public to some extent and float some Renault shares on the financial market."

He declined, however, to further discuss the possible privatization of Renault or to mention capital injection requirements.

Calvet, although he strongly opposes the government's new restructuring plan for Renault, admitted that more problems at Renault would mean bad news for the entire French car industry.

"I remember saying one day before to some reporters that I hoped that Renault would recover, even at the expense of Peugeot. Those press men choked and said, 'But how can you say such a thing, it's unreasonable!' It is, I said. You must be practical and logical. Obviously, if Renault recovers, we at PSA will feel the heat, at least in the French market.

"Why do I say so? Because I'm a Frenchman first. I'm very much involved with PSA but I remain a Frenchman first. And I believe that it is very important that my country has two big carmakers, just like Germany has got four or five. I wish for only one thing: Renault's recovery. But a recovery through Renault's own internal forces and in a context of fair competition."

Calvet suggested his own plan for Renault: It should be privatized as soon as it viable, and then the government should decide whether Renault needs a capital injection.

"But anyway, (it should be) nothing like the completely insane amounts of the taxpayers' money that some are currently talking about," he added.

The Minister of Finance confirmed that changing Renault's statutes should not be viewed as groundwork prior to privatization. But he failed to give any details about the exact legal statute Renault might receive, about the amount of money the state might inject in the new company, or about the timing of the operation.

Last week, none of the parties involved were making any more comments.

DEALERS

FROM PAGE 1

his 1987 model year was level with 1986 and he is optimistic 1988 will be better for his dealership because the local economy is better.

He expects more incentives.

"As long as competition continues as it is, incentives will continue — whether the factory does it or I do it," he said.

Like many other dealers, Bullock is restructuring his used-car business to augment flagging showroom margins. He doubled his inventory of late-model used cars to cover that segment of the market that can't afford new cars.

Although much of the traditional unbridled October optimism is tempered with realism this year, there is still a high-degree of self confidence and divisional pride among dealers.

Juanita Baranco, general manager of Baranco Pontiac, Decatur, Ga., said she expects a better 1988 because of the strong Pontiac line, particularly the new Grand Prix and the LeMans.

Robert Fleming, R.H. Fleming Buick-Pontiac, Indiana, Pa., expects a better 1988 because he believes some people held off buying and because GM has an improved product line.

John Bergstrom, Bergstrom Chevrolet-Buick, Neenah, Wis., said 1988 will be flat for him with "no dive but no upswing either."

Bergstrom, who has Chevrolet, Cadillac, Buick, Oldsmobile and GMC franchises, believes Regal will be a big plus for Buick and the longer Eldorado will be a big plus for Cadillac.

Ford Motor Co. will not make its 1988 industry forecast until tomorrow at its national news conference. However, there is no mistaking the enthusiasm of its Ford and Lincoln-Mercury dealers.

The primary worries seem to be that dealers will not be able to get enough of the right product to sell and that inventory will not reach sufficient levels until November.

Ford and Lincoln-Mercury dealers believe it will be a tough market with increased competition from the imports. Most also believe that GM dealers will have it much worse.

Bob Karlin, owner of Santa Monica Ford, Santa Monica, Calif., said he and partner Wayne Harding expect 1988 model sales to increase by 50 percent.

"Ford really has a name now," Karlin said. "We're ordering more cars and will have higher stocking levels than ever."

Craig Kapson, owner of Jordan Ford, Mishawaka, Ind., and Jordan Lincoln-Mercury-Merkur, Elkhart, Ind., sees an overall industry decrease in 1988-model sales but expects Ford dealers to increase their penetration.

Kapson said he will not be able to get all of the models with automatic and automatic overdrive transmissions he wants, but he will prosper in 1988's more competitive market by merchandising what he can get.

"We already are planning promotions to take advantage of car lines other dealers don't want," Kapson said. "Weaker dealers will lose market," he said, "but we'll have an excellent year."

Stu Evans, owner of Stu Evans Lincoln-Mercury, Southgate, Mich., and Stu Evans Lincoln-Mercury, Garden City, Mich., said the overall market will be tougher than it has been for last two years.

Evans said he has already spent $100,000 on each store to increase customer comfort and will spend even more. In addition, he has increased his advertising budget.

"If we do the job right, we're not going to get hurt," Evans said.

Mark Berger, sales manager of Rock River Ford, Rockford, Ill., expects good sales next year, although sales won't be up much because 1987 was so strong.

Berger said it will help that 1988 is a presidential election year, and it won't hurt that prices will go up.

"What we're seeing is the clientele of our market change. We are getting Cadillac and Mercedes people coming in and looking at Tauruses," he said.

Even one oil belt Lincoln-Mercury dealer who has watched his local economy collapse and his new-car business decline, refused to be depressed. "I'm not rippin' a new hog or anything like that," he said, "but I'm holding my own."

The majority of Chrysler-Plymouth and Dodge dealers said they expect the 1988 model year at best to reach 1987 levels. Some predicted a slight decline in overall domestic sales.

Officially, Chrysler Motors is projecting 10.0 million cars and 4.9 million trucks for the 1988 model year, below the 15.5 million cars and trucks it expects will be sold in 1987.

Its dealers, however, did not predict the same outcome for their own dealerships in the 1988 model year.

Jeep-Eagle dealers interviewed were optimistic about their own franchises in 1988 because they are now a division of Chrysler Motors.

With only one exception, dealers said they expected their own sales in the 1988 model year to reach, or exceed, 1987 levels.

However, several dealers said that dealership profits will drop despite steady sales.

Dealers said the sales will be won in an increasingly competitive market that is oversaturated with vehicles.

"The competition is just multiplying like ants," said Chuck Swift, owner of Swift Dodge, Sacramento, Calif.

Swift predicted 1988 industry sales will reach 1987 levels. However, dealer profits will drop, he said.

Prices are a concern.

"I think there will be a leveling off in the 1988 model year. We'll have our hands full just keeping up sales at 1987 levels," said Bill Manus, vice president and general manager of Central Chrysler-Plymouth and Dick Shirley Chevrolet, Burlington, N.C.

"The average person can't pay $15,000 to $18,000 for a four-door sedan with automatic and air conditioning. The average monthly payment is prohibitive to the average buyer. People are not excited about buying cars," Manus said.

"People are buying more because of need than whim buying," said Ray Slavin, owner of Slavin Ford Dodge, Youngstown, Ohio.

Slavin foresees domestic industry sales dropping 15 percent to 25 percent in the 1988 model year.

Jeff Walther, owner of Jeff Walther Dodge, Dayton, Ohio, foresees domestic-industry sales dropping 5 percent to 10 percent in the 1988 model year, but he expects his own sales to increase by 10 percent.

"I think 1988 will go as well as 1987," said Luke Potter of Luke Potter Dodge, Winter Park, Fla. "Our fleet is even bigger than it was last year."

Potter said he has increased his fleet order from approximately 9,000 units in 1987 to more than 11,000 units in 1988.

"We're optimistic," he said.

PRODUCTION

Auto production in Mexico gains despite idle plants

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Mexican car production in August increased over the year-ago month's total despite downtime at three assembly plants.

Last month's output was 15,749 units, 12.85 percent more than the last year's 13,956.

For the first eight months of this year, 155,440 cars were assembled in Mexico, 17.40 percent more than the 132,402 completed during the same period last year.

Chrysler Motors' Mexican plant was idle for most of August due to model changeover. Output of 1,654 K-cars in Mexico was down 80.99 percent from July's 8,700 and 15.22 percent from last August's 1,951.

By the end of August, Chrysler had built 45,434 cars, up 50.39 percent over the 30,210 last year. Chrysler exports Aries and Reliant models to the United States.

Ford Motor Co., which has two plants in Mexico, reported production of 5,769 cars in August. All were Tracers for the United States. The plant that assembles Cougar, Thunderbird and Topaz for sale in Mexico was idled by a strike for the entire month.

Ford's August output was more than four times the year-ago month's 1,405, when the Tracer had not yet gone into production.

The year-to-date total for Ford was 37,751, compared to 14,201 last year.

General Motors produced 2,326 cars in Mexico during August, 55.23 percent below July's 5,195 but 60.64 percent more than the year-ago month's 1,448.

By the end of August, GM had built 12,778 cars, 13.22 percent more than the 11,286 assembled by the end of August 1986.

GM produces the Chevrolet Celebrity, Oldsmobile Cutlass Ciera and Buick Century in Mexico. Of those, the Celebrity is the only car exported to the United States.

Volkswagen's plant in Mexico was idle during August due to a strike. During the year-ago month, VW assembled 4,152 cars. For eight months, VW car production totaled 22,177, 51.12 percent below the 45,373 built during the 1986 period.

VW's Mexican plant assembles the Golf, Jetta, Beetle and Korsar (Quantum in the United States), all for the Mexican market.

Nissan produced 6,000 Sentras in August, 20 percent more than the 5,000 built in 1986. Through August, Nissan had built 37,300 cars, 19.05 percent more than the 31,332 completed last year.

Total North American auto production for August including the United States and Canada was 455,877, 16.15 percent below the year-ago month's 543,665.

The year-to-date North American car output at the end of August was 5,435,408, 11.13 percent below the 6,116,187 built in the same period last year.

MEXICAN, N. AMERICAN CAR
Aug. 1987 vs. Aug. 1986

	Aug. 1987	Aug. 1986	8 mos. 1987	8 mos. 1986
Chrysler	1,654	1,951	45,434	30,210
Ford	5,769	1,405	37,751	14,201
GM	2,326	1,448	12,778	11,286
Nissan	6,000	5,000	37,300	31,332
Volkswagen	0	4,152	22,177	45,373
Total Cars, Mexico	15,749	13,956	155,440	132,402
Total Cars, U.S.	412,717	480,857	4,777,235	5,285,420
Total Cars, Canada	27,411	48,852	503,523	698,365
Total Cars, N. American	455,877	543,665	5,436,198	6,116,187

CANADIAN CAR	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
CHRYSLER	100	121	110	405	3,065	4,031
FORD MOTOR	7,288	10,617	5,175	21,396	382,746	321,037
GENERAL MOTORS	10,818	4,115	9,781	36,951	370,941	212,400
HONDA	400	0	401	1,313	0	10,582
VOLVO	225	225	225	855	7,531	7,497
Total Cars, Canada	18,831	15,078	15,692	60,920	764,283	555,547

U.S. TRUCK☆	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
CHEVROLET	13,908	24,937	15,680	55,435	884,622	812,604
DODGE	7,700	5,387	9,001	31,775	86,892	206,221
FORD	34,302	24,917	31,016	120,139	1,073,165	1,086,697
GMC	8,700	7,555	8,223	29,469	272,684	282,544
NAVISTAR	1,665	1,615	1,617	5,888	53,878	54,007
JEEP	4,600	4,637	4,633	17,596	136,377	163,823
NISSAN	2,130	1,742	2,157	8,156	87,974	64,466
AM GENERAL*	450	50	450	1,800	1,912	11,610
MISCELLANEOUS*	2,300	2,300	2,300	9,200	86,940	87,100
Total Trucks, U.S.	75,755	73,140	75,077	279,458	2,684,444	2,769,072

CANADIAN TRUCK	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
JEEP	910	730	923	3,216	21,206	25,344
CHRYSLER	8,034	8,616	1,407	21,715	297,578	289,079
FORD	3,648	3,537	3,260	11,619	122,168	108,976
GENERAL MOTORS	6,555	1,746	4,432	20,624	176,814	165,242
NAVISTAR	225	197	228	858	7,020	7,035
Total Trks., Canada	19,372	14,826	10,250	58,032	624,786	595,676
U.S., Canada Trucks	95,127	87,966	85,327	337,490	3,309,230	3,364,748

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
AMERICAN MOTORS	0	1,695	0	0	40,488	15,994
Renault Total	0	1,695	0	0	40,488	15,994
Alliance	0	1,695	0	0	37,141	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	21,700	26,264	22,185	85,264	999,922	784,745
Plymouth Total	8,500	9,927	6,457	23,607	309,124	231,376
Horizon	400	3,845	464	1,107	129,104	34,104
Sundance	1,600	1,218	1,674	6,272	13,818	83,088
Reliant	3,800	3,591	3,515	13,187	118,042	89,705
Caravelle	500	849	590	2,189	33,748	34,698
Gran Fury	200	424	214	852	14,412	4,781
Chrysler Total	6,400	6,394	6,798	29,316	305,935	266,977
Laser	0	0	0	0	27,239	0
LeBaron K	900	874	943	3,631	69,454	51,442
LeBaron J	2,300	0	2,164	8,803	0	84,148
LeBaron GTS	700	1,370	812	2,972	54,498	29,515
N. Yorker E-Class	0	1,256	55	2,847	56,376	56,393
N. Yorker C-Class	0	0	281	1,789	0	2,169
Fifth Avenue	2,500	2,894	2,543	9,274	98,368	43,310
Dodge Total	8,900	9,943	8,930	32,341	384,863	286,392
Daytona	2,200	0	2,101	7,504	30,807	44,876
Omni	400	3,602	422	1,073	124,714	29,436
Shadow	1,800	1,094	1,854	6,975	12,546	70,697
Aries	3,100	2,320	2,905	10,908	92,270	82,555
Dodge 600	400	744	475	1,836	52,464	30,906
Dynasty	0	0	76	336	0	475
Lancer	400	751	500	1,787	39,389	18,382
Diplomat	500	1,432	597	1,922	32,673	9,065
FORD MOTOR	37,640	27,431	34,478	131,818	1,318,899	1,348,645
Ford Division	28,205	20,132	26,187	97,950	905,744	961,757
Escort	9,422	5,063	9,349	34,652	279,987	281,045
Mustang	5,313	4,630	4,564	18,820	144,977	158,883
Tempo	1,868	3,057	660	2,679	147,306	102,509
Taurus	8,112	7,382	8,845	30,777	229,004	303,938
Thunderbird	3,490	0	2,769	11,022	104,470	115,382
L-M Division	9,435	7,299	8,291	33,868	413,155	386,888
Mercury Total	5,259	3,431	4,356	18,205	280,509	252,303
Lynx	0	458	0	0	46,382	21,352
Capri	0	0	0	0	12,409	0
Topaz	564	857	178	791	43,396	33,649
Cougar	3,440	0	2,772	11,010	86,951	103,575
Sable	1,255	2,116	1,406	6,404	91,371	93,727
Lincoln Total	4,176	3,868	3,935	15,663	132,646	134,585
Continental	0	391	0	0	14,589	9,610
Lincoln	3,483	2,905	3,280	13,059	99,493	104,250
Mark VII	693	572	655	2,604	18,564	20,725
GENERAL MOTORS	70,627	84,596	62,853	245,039	3,121,103	2,523,324
Buick Total	11,952	17,629	11,693	46,402	586,202	415,043
Skyhawk	1,250	1,573	1,217	3,971	63,832	23,247
Century	1,150	2,875	1,135	7,736	174,863	121,014
Regal (rwd)	625	2,021	670	2,308	46,556	32,766
Somerset/Skylark	1,785	2,548	1,486	5,608	83,111	46,001
LeSabre (fwd)	4,650	4,641	4,867	17,736	117,575	108,856
LeSabre (rwd)	180	271	143	562	11,537	6,686
Electra (fwd)	1,924	3,700	1,907	7,411	69,241	66,902
Riviera	388	0	268	1,070	19,487	9,571
Cadillac Total	7,045	5,422	6,107	22,745	241,314	194,253
Cimarron	292	525	303	891	18,866	8,585
Allante	150	0	139	473	0	3,914
Brougham (rwd)	1,800	1,249	1,621	6,199	62,314	51,088
DeVille (fwd)	3,600	3,648	3,212	11,871	124,544	104,101
Eldorado	653	0	456	1,801	18,513	12,335
Seville	550	0	376	1,510	17,077	14,230
Chevrolet Total	27,251	31,946	22,961	90,669	961,941	978,340
Chevette	0	2,459	0	0	75,737	0
Camaro	2,530	3,256	2,330	8,610	134,403	90,226
Cavalier	6,958	8,280	4,272	18,394	301,785	226,722
Celebrity	4,764	8,629	4,353	16,770	183,372	217,291
Corsica/Beretta	7,390	318	7,398	27,757	573	237,383
Monte Carlo	1,785	2,759	1,633	6,464	87,708	51,886
Chevrolet	3,184	5,597	2,331	10,878	158,317	134,588
Corvette	640	648	644	1,796	20,046	20,244
Oldsmobile Total	11,982	14,032	11,364	41,342	746,138	453,708
Firenza	310	794	310	1,298	28,862	4,503
Calais	3,015	2,367	3,094	9,784	89,110	83,784
Cutlass Ciera	327	3,148	33	360	186,638	100,328
Cutlass Supreme	1,685	1,218	1,712	6,250	92,629	56,601
88 (fwd)	4,138	3,529	4,025	15,313	235,538	126,455
88 (rwd)	57	341	16	73	14,299	10,729
Olds 98	2,002	2,635	1,863	7,022	85,017	51,345
Toronado	448	0	311	1,242	14,045	11,369
Pontiac Total	12,397	15,567	10,728	43,881	585,508	481,980
Acadian*	0	697	0	0	11,905	0
Fiero	937	1,690	636	1,658	50,849	22,347
1000	0	908	0	0	16,525	0
Firebird	1,510	1,965	1,274	4,983	82,921	59,475
2000 Sunbird	2,010	3,636	1,059	5,036	105,404	65,715
Grand Am	4,800	4,213	5,022	16,995	167,675	176,153
6000	0	0	0	4,151	102,621	56,319
Bonneville	3,000	2,148	2,643	10,522	4,058	94,896
Safari/Parisienne	140	310	94	536	43,550	7,075
HONDA	6,080	6,013	5,542	23,032	158,590	242,842
Civic	240	1,197	100	417	2,266	71,847
Accord	5,840	4,816	5,442	22,615	156,324	170,995
MAZDA	100	0	93	349	0	349
NISSAN	2,600	2,153	2,581	9,841	30,902	97,563
NUMMI	3,500	3,000	3,563	12,452	148,613	145,018
Corolla	1,000	110	940	3,357	220	31,282
Nova	2,500	2,890	2,623	9,095	148,393	113,736
VOLKSWAGEN	200	2,018	0	200	61,986	43,329
Golf/GTI	70	2,018	0	70	61,986	34,845
Jetta	130	0	0	130	0	8,484
Total Cars, U.S.	142,447	153,170	131,295	507,995	5,880,503	5,201,809
Total Cars, Canada	18,831	15,078	15,692	60,920	764,283	555,547
U.S., Canada Cars	161,278	168,248	146,987	568,915	6,644,786	5,757,356
U.S., Canada Trks.	95,127	87,966	85,327	337,490	3,309,230	3,364,748
U.S., Canada Cars and Trucks	256,405	256,214	232,314	906,405	9,954,016	9,122,104

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Auto output climbs 8% to 142,447

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 142,447 was 8.49 percent more than the previous week's 131,295 but 7 percent below the year-ago week's 153,170.

Companies split last week's scheduled production as follows: General Motors, 49.58 percent; Ford Motor Co., 26.42 percent; Chrysler Motors, 15.23 percent; Honda of America Manufacturing Inc., 4.27 percent; New United Motor Manufacturing Inc., 2.46 percent; Nissan Motor Manufacturing Co. U.S.A., 1.83; Volkswagen of America, 0.14 percent; and Mazda Motor Manufacturing U.S.A. Corp., 0.07 percent.

Mazda reported production for the first time last week at its Flat Rock, Mich., plant. It said 93 MX-6 models were built the week ended Sept. 19, and Automotive News estimated that 100 were built last week.

VW's plant in Westmoreland, Pa., resumed production last week. The plant had been idle for model changeover since July 20.

Chrysler's Belvidere, Ill., plant resumed output today. The plant had been down because of a strike against Chrysler in Canada.

Truck assembly steady for week

Domestic truckmakers scheduled production of 75,755 units last week, slightly more (0.90 percent) than the previous week's 75,077 and 3.58 percent more than the year-ago week's 73,140.

Year-to-date, 2,769,072 trucks have been assembled, 3.15 percent more than the 2,684,444 built last year at this point.

General Motors' Pontiac East plant in Pontiac, Mich., and its Fort Wayne, Ind., plant resumed production last week. Both plants were idled the previous week because of a parts shortage due to a fire at GM's Saginaw Axle plant in Detroit.

GM's Pontiac Central plant in Pontiac, Mich., resumed output today. The plant had been idle for inventory adjustment.

Cars, trucks rise in Canada

Last week's targeted Canadian auto production of 18,831 was 20 percent more than the previous week's 15,692 and 24.89 percent more than the year-ago week's 15,078.

So far this year, 555,547 cars have been built, 27.31 percent below the 764,283 completed last year at this point.

Truck production was scheduled at 19,372 units last week, 89 percent more than the previous week's 10,250 and 30.66 percent more than the year-ago week's 14,826.

The prior week's output was affected by a strike against Chrysler. The strike was settled Sept. 17.

Year-to-date, 595,676 trucks have been built, 4.66 percent below the 624,786 assembled last year at this time.

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SPECIAL SECTION: MEET THE '88 MODELS

Automotive News

October 5, 1987

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VW, Fiat groups battle for sales crown in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen Group's Audi and Seat models were the fastest-growing marques in the European industry through August, offsetting a flat sales year for the VW brand in Europe.

Volkswagen's soaring prestige-car and small-car subsidiaries enabled the group to nearly match Fiat Group's 1987 sales, according to industry estimates compiled by Automotive News.

During the first eight months, 8,528,600 cars were sold compared with 8,059,600 for the same period last year, a 5.8 percent increase.

Fiat — with Alfa Romeo's 1.5 percent share included — has led the European sales race through most of the year after finishing second to VW Group in 1986. Fiat acquired Alfa Romeo late last year.

Audi's sales through August increased 23.5 percent to 232,600 units in western Europe. The VW division benefited from strong reception to its new 80/90 models, which will be introduced Nov. 1 in the United States as a replacement for the 4000 series.

Seat, acquired by VW last year, was up 33.2 percent to 169,700 units. The Spanish vehicle maker has ridden the crest of a runaway domestic market in that country and has registered sharp improvements in several other European countries.

Volkswagen was up 1.5 percent to 853,900 units through August, while VW Group sales were 1,256,200, 8.6 percent better than last year and good for 14.7 percent of the European market.

Fiat Auto, including Fiat, Alfa Romeo, Lancia and Ferrari, held 14.8 percent of the market through August with sales of 1,261,500 units. The Fiat marque was up 10.1 percent to 947,400, largely on the strength of the Italian market.

At the eight-month mark last year, the VW group was the leader with 1,157,000 sales to Fiat Auto's 1,140,300.

Among Europe's other volume producers, Ford retained third place with a 12.1 percent share and sales of 1,029,700 through August, up 7.6 percent compared to the same period last year. Sales of the fourth-place Peugeot Group increased 9.1 percent to 988,300 units, an 11.6 percent share.

General Motors was fifth with 10.9 percent market share and sales of 932,900 units, an improvement of 2.1 percent over the same period the year before. Renault was sixth among Europe's volume producers with sales of 877,500, a gain of 8.2 percent for a 10.3 percent share.

The Japanese manufacturers' combined sales were 958,200 units, 11.2 percent of the European market through August. That compares with 11.6 percent for all of 1986.

The Japanese, led by Nissan and Toyota with 2.9 and 2.8 percent shares, respectively, have pulled even with their record 1986 sales pace. Japanese sales plummeted in the first quarter following reduced shipments to Europe late last year.

Despite a slump early this year, West Germany remained the largest single western European market with sales of 1,948,700 units through August, an improvement of 2.6 percent over last year's record pace. The United Kingdom was second at 1,459,700, a gain of 4.7 percent; followed by Italy, 1,418,200, up 11 percent; and France, 1,308,400, up 5.9 percent.

Spain continues as the fastest-growing market in Europe. Eight-month sales were up 43.3 percent to 620,100 units and are on pace for a record year of better than 900,000 sales.

EUROPEAN CAR SALES

Manufacturer	8 months 1987	8 months share	8 months 1986	Volume Change '87 vs '86
Fiat Group*	1,261,500	14.8	1,140,300	+10.6
VW-Audi-Seat	1,256,200	14.7	1,157,000	+ 8.6
Ford	1,029,700	12.1	957,300	+ 7.6
PSA**	988,300	11.6	905,900	+ 9.1
Japanese (all)	958,200	11.2	954,300	+ 0.4
Nissan	246,900	2.9	240,000	+ 2.9
Toyota	235,200	2.7	236,500	− 0.5
Mazda	158,900	1.9	171,300	− 7.2
Mitsubishi	107,200	1.2	97,600	+ 9.9
Honda	92,700	1.1	101,300	− 8.5
Other	117,300	1.4	107,600	+ 9.0
GM***	932,900	10.9	913,400	+ 2.1
Renault	877,500	10.3	811,000	+ 8.2
Austin Rover	303,300	3.6	304,500	− 0.4
Mercedes	299,200	3.5	295,000	+ 1.4
BMW	205,400	2.4	212,100	− 3.2
Volvo	181,500	2.1	182,100	− 0.3
Others	234,900	2.8	226,700	+ 3.6
Total	8,528,600	100.0	8,059,600	+ 5.8

* Includes Alfa Romeo
** Peugeot, Citroen, Talbot
*** Opel, Vauxhall, Isuzu, GM-U.S./Canada

Fiat's six-month sales jump 39%; profits rise 11%

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — With Alfa Romeo and several other new acquisitions in tow, Fiat S.p.A. group sales jumped 39 percent in the first half of this year, but the company's recent surge in profits slowed.

The six-month pre-tax earnings of 1.82 trillion lira ($1.38 billion) continued a string of Fiat profit gains, but the 11 percent rise was the smallest since the early 1980s. Pre-tax profits nearly doubled in each of the last two years.

Revenue grew to 19.85 trillion lira ($15 billion) in the first half from 14.32 trillion lira ($10.8 billion) in the same period last year.

But the year-to-year comparison is complicated by the addition of Alfa Romeo; Iveco-Ford UK, the commecial-vehicle joint venture with Ford; SNIA BPD, a textile, petrochemical, defense and aerospace company; and Astra, a small Italian commercial-vehicle manufacturer. Fiat said that without those four units, its sales for the first half would have been 16.6 trillion lira, an increase of 16 percent over the same 1986 period.

Fiat said group profitability before taxes increased despite a higher first-half research and development budget of 600 billion lira, an increase of 50 percent; greater depreciation; lower income due to the weak dollar; and "the poor financial position of certain recent acquisitions." Alfa Romeo had lost money for 13 consecutive years before it was acquired by Fiat from an Italian government-controlled industrial holding company late last year and merged with Lancia.

Giuseppe Tramontana, Alfa-Lancia Industriale managing director, said recently that the Alfa Romeo/Lancia unit will break even or show a small profit this year.

Firm to halt gray-market Citroen imports

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

A Georgia-based gray-market importer of Citroen cars has agreed to halt activities in order to settle a lawsuit brought against it by the French car company.

Citroen Importers of North America, which had been importing Citroen CX models, must also cease using the Citroen name and is enjoined from selling, distributing, or assisting in the importing of any automobiles built by Automobiles Citroen. Also named in the suit were Eurocar Ltd., an affiliated company, and Robert Boston, owner of the Roswell-based companies.

While Citroen Importers of North America will no longer be allowed to import Citroens under the agreement, it will be able to sell about 40 cars already in the country provided they are modified to meet U.S. regulations. However, the vehicles must be sold without advertising and with a disclaimer that the vehicle was not designed by Citroen to be sold in the United States and that the French company is not responsible for service, parts or warranties.

Citroen Importers must repurchase vehicles it sold that do not comply with federal regulations.

Citroen was able to press its case in the United States with the help of its sister company, Peugeot. A Peugeot Motors of America spokesman said that Citroen is aware of other companies importing the CX, but hasn't decided if it is going to pursue those cases.

Gerard Vion, commercial manager of overseas countries for Automobiles Citroen, said his company is analyzing a possible return to the U.S. market.

New Bentley for the young and rich
Rolls-Royce's four-door Bentley Mulsanne S is aimed at the "35-to-45 age bracket, about 10 years younger than the typical Rolls-Royce driver," says a company spokesman. The British luxury car is powered by a 6.75-liter V-8 and can be had for $107,500.

AUDI: *N.J. vehicle inspector hurt as car accelerates, hits tree*

By John Russell
AUTOMOTIVE NEWS STAFF REPORTER

CHERRY HILL, N.J. — A New Jersey Motor Vehicle inspector was injured last week when an Audi 5000 apparently suddenly accelerated during a routine vehicle inspection and hit a tree.

State officials have launched an investigation, according to H. Arthur Smith, a spokesman for the New Jersey Division of Motor Vehicles.

Smith said this was the first time an incident of this type has happened at a New Jersey inspection facility.

New Jersey has a mandatory annual inspection program for vehicles. Approximately 6 million are performed annually, and more than 80 percent are performed at state-owned inspection stations.

Audi has been plagued with incidents of unintended acceleration. In January, the company recalled 170,000 Audi 5000 models with automatic transmissions to install a shift lock that is supposed to prevent drivers from shifting the vehicle out of park unless the brake pedal is depressed. The car involved in this incident was equipped with the device.

The incident here occurred while an inspector, Daniel Farrell, was testing the 1984 Audi 5000's brakes. Reports said the car went out of control, but Farrell avoided a truck and another inspector before the car hit a tree and stopped.

Smith said Farrell was thrown out of the vehicle when it struck the tree. The inspector's injuries include fractured ribs. He was hospitalized.

Smith said a state investigation team along with Audi of America representatives were on the scene gathering information. The state also called in American Standards Testing Co., an independent investigating unit.

Smith said results of the initial tests probably would be available late this week.

A Volkswagen of America spokesman said the incident is under investigation and the company won't have the reports until next week.

Porsche to cut output of 4-cylinder models

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Porsche AG will cut production of its slow-selling four-cylinder cars during the next two years and will concentrate on the more profitable 911 and 928 models.

Porsche officials said four-cylinder output may eventually be cut by as much as 50 percent, but a spokesman last week denied that the company will stop making four-cylinder cars altogether.

Four-cylinder models represented 56 percent of the company's sales last year, and most analysts agree that abandoning four-cylinder production would put the company in an untenable position with its dealers around the world.

The spokesman said Porsche plans to cut two models from its current four-cylinder lineup, which consists of the 924-S, 944, 944-S and 944 Turbo. No timetable has been set, and the spokesman said it is not been decided what models will be dropped. However, the company is expected to phase out the two intermediate 944 versions and retain the bottom-level 924 and top-end 944 Turbo.

The drop in four-cylinder production is relatively painless for Porsche since it leases capacity from Audi in Neckarsulm, West Germany. The move will enable Audi to produce more of its new hot-selling 80/90 compact models at that plant. The 80/90 line was introduced in Europe late last year.

As it stands, Audi will probably have to divert cars from European markets to supply the United States. The new line is slated to replace the 4000 series there. U.S. introduction is slated for Nov. 1 and is seen as a crucial step in Audi's effort to improve its image.

Porsche said weak sales of 924 and 944 models, especially in West Germany, accounted for lower overall volume and revenue for the fiscal year ended July 31. Unit sales in the United States rose during the fiscal year, but have declined so far in calendar 1987.

Shrinking sales in Germany only add to what many analysts believe to be Porsche's most serious problem — an overdependence on the U.S. market that makes it vulnerable to currency swings.

Porsche has blamed its slide in profits on reduced demand for four-cylinder cars and the fall of the dollar against the German mark. The luxury carmaker won't disclose 1986-87 profit figures until February, but last week a spokesman termed its results "satisfactory."

Earlier this year, Heinz Branitzki, Porsche deputy chairman and chief financial officer, forecast net earnings of 50 million to 70 million German marks ($27.5-$38.5 million). That would represent a drop of 7 percent to 33 percent from 1985-86 net profits of 75.3 million marks ($41 million). That year's profits were down 37 percent from the year before.

Analysts expect Porsche to report a net profit of about 50 million marks, and they look for about the same total for the 1987-88 fiscal year.

"The results they've announced in terms of production and sales are quite revealing," said Stephen Reitman, West German industry specialist at Phillips & Drew in London. "It shows the squeeze they are having on four-cylinder cars. They've come quite clean on it."

Last week, the company an-

see PORSCHE, page 72

CADILLAC

Next Cimarron to be all-American

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

BLOOMFIELD HILLS, Mich. — Cadillac will replace its entry-level Cimarron with an all-American car rather than bring in an import.

Cadillac General Manager John Grettenberger acknowledged at last week's 1988 press preview that the division had looked at importing the Senator from Adam Opel AG, General Motors' West German subsidiary, to replace the Cimarron. But the division ultimately ruled it out.

"We want to capitalize on the fact that we are an American manufacturer of luxury cars," Grettenberger said. "Our future best lies in re-establishing Cadillac's position as an American car that is domestically produced . . . rather than trying to patch a situation by bringing in another import."

Contributing to Cadillac's decision may have been the fact that GM plans to import upscale Opel cars to the United States as early as next year and sell them through a separate franchise network.

Grettenberger said that the division is not pleased with Cimarron's sales. Sales in the 1987 model year totaled about 15,000, down from a high of 24,209 in 1986.

He said the car has reached first-time Cadillac buyers, women and import buyers, but sales have not been helped by the fact that the other four GM divisions sell cars built from the same platform.

AUTOMOTIVE NEWS: EDWARD PEABODY

John and Jane Grettenberger go for a spin on a carrousel at Cadillac's preview

"The next generation Cimarron, or what we hope to do in the future in regard to a near-luxury entry, must be totally distinctive to Cadillac," Grettenberger said. He did not offer details.

Grettenberger painted a picture of an intensely competitive luxury market.

He noted that in 1966, the total luxury-car market totaled 629,000 units, or about 7 percent of the total new-car market. Imports accounted for 6 percent of the luxury market. A decade later, the luxury market had grown to 905,000 units, or 9 percent of the total market, and imports nearly doubled their share to 11 percent. In 1986, luxury cars totaled 1.47 million units, or 11 percent of total sales, and imports took 43 percent.

"In five years," Grettenberger said, "we expect this market to increase by 300,000 more units."

While the segment will grow, new entries including Honda's Acura, Nissan's Infiniti and Toyota's Lexus are "a significant threat," he added.

"It can't just be relied on or taken for granted that it will take the Japanese a longer time to establish themselves in the luxury market because they're historically entrenched in the entry and mid-range," Grettenberger said. "I think that's a fallacy. If you think in those terms, they'll pass you by without you ever knowing what happened."

2 dealer groups fight Jeep-Eagle arbitration

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

A grass-roots movement among dealers is afoot to quash the mandatory binding arbitration clause in Chrysler Motors' new franchise agreement being circulated to Jeep-Eagle dealers.

Statewide dealer meetings were held last week in New Jersey and Texas as Chrysler dealers and former American Motors and Jeep dealers gathered to discuss the pact.

Charles E. Walton, executive vice president of the New Jersey Automobile Dealers Association, told about 80 dealers in his state that the arbitration clause was a ploy to "strip the dealers of their rights."

Walton made it clear that the association is prepared to battle Chrysler in court, either by joining an individual dealer's suit or as a class action. "We are going to move in one way or another," he said.

He termed the move by Chrysler to require binding arbitration in its franchise a "serious, slick attempt to change the whole ballgame."

The New Jersey dealers threw their support behind the efforts of the National Automobile Dealers Association to negotiate with Chrysler to develop a new agreement without binding arbitration. They also agreed to ask their association to provide legal assistance to dealers who may refuse to sign the arbitration agreement as presently proposed.

Meanwhile, NADA President-elect Jimmy Payton and other NADA executives were scheduled to meet Friday with the Texas dealer association on the matter. According to Payton, when Chrysler Motors found out about the meeting, it asked and received permission to attend. Thomas Pappert, group vice president of sales, was expected to be on hand.

The latest developments are in contrast to a statement made two weeks ago at a press conference by Joseph E. Cappy, Chrysler Motors group vice president — Jeep-Eagle marketing.

Asked about NADA's criticism of the binding arbitration provisions in the Jeep-Eagle franchise, Cappy, said, "The dealer advisory councils of the three dealer networks — Chrysler-Plymouth, Dodge and Jeep-Eagle — don't have any problem with the contract the way it stands. They are the ones we have to sign to the franchise, not NADA. You have to ask NADA what their problem is. Our dealers don't have a problem."

Cappy: "You have to ask NADA what their problem is because our dealers don't have a problem."

The sales agreement, announced by Chrysler in late August, has met with strong opposition from NADA. The corporation revised the agreement somewhat in response to that opposition, but did not drop the binding arbitration.

Instead, the company said dealer rights under state law will apply to the arbitration process.

An NADA spokesman said last week that while there is concern over other issues in the agreement, such as linking termination procedures to a customer satisfaction index, the main sticking point remains binding arbitration.

NADA is opposed to binding arbitration because dealers have no choice and surrender legal rights; because mandatory binding arbitration operates to "bypass" the procedures established under state law for the resolution of manufacturer/dealer disputes; and because there is no assurance that substantive dealer rights will be guaranteed in binding arbitration.

NADA also said the Federal Arbitration Act strictly limits the ability of a federal court to set aside an arbitration decision. That can only happen if the decision is obtained by corruption or fraud, or if there is misconduct by the arbitrator. NADA has said it can accept optional arbitration.

While Chrysler's action affects only AMC dealers signing the Jeep-Eagle franchise, there is a belief it will spread throughout the industry.

Ed Mullane, president of the Ford Dealers Alliance and a long-time activist for dealer interests, said if Chrysler is successful, "it will spread."

"They (Chrysler management) are probing and if dealers take it, they're dead," he said.

Walton said dealers are concerned about a recent U.S. Supreme Court ruling involving Southland Corp. and one of its 7-Eleven franchises that said once a franchise agreement involving binding arbitration is signed, the franchisee forfeits his or her rights under state law.

Staff Reporters Edward Lapham and Mary Connelly contributed to this story.

GM reviewing Penske-Potamkin deal

By John Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — General Motors is playing a key role in the Penske Group's move to acquire control of the New York City Potamkin Cadillac operations.

The Penske Group and Victor Potamkin recently reached an agreement in principle that now awaits GM's approval. The automaker is reviewing the agreement since it involves a complex real estate leasing arrangement along with the normal franchise approvals.

Alan Potamkin, vice president of the Potamkin organization, confirmed that an agreement in principle has been reached between the two organizations. However, he said that if GM approval is not received this week, the negotiations will end.

Potamkin said the agreement is very complex and would involve GM leasing the Potamkin facilities from Potamkin and in turn sub-leasing them to Penske.

Potamkin has a large Cadillac facility on 11th Avenue in Manhattan and a satellite facility about one mile away on York Avenue. Each location has two buildings, housing service and sales. The agreement calls for leasing one building at each location.

Negotiations between the Penske Group, headed by Roger Penske, and Potamkin, one of the largest dealer organizations in the nation, were made public in late June. Since then, the two organizations have not disclosed details, saying only that they were talking.

The real estate transaction had been mentioned in several reports in June as being one of the elements in the negotiations, but this is the first time it has been confirmed. Also, this is the first time that the GM connection in the negotiations has been confirmed.

Alan Potamkin declined to reveal any details.

Both the Potamkin organization and the Penske Group fall into the megadealer class. The Potamkin organization has 41 dealerships in five states. In 1986, it had $1 billion in sales.

In New York, Potamkin operates three dealerships handling Chrysler, Dodge, Plymouth, Sterling, Mitsubishi, Toyota and Volkswagen in addition to Cadillac. Potamkin Cadillac sold 5,013 new units in 1986.

Alan Potamkin said the company's other New York franchises are not affected by these negotiations.

The Penske Group, another $1 billion operation, has seven dealerships, Hertz-Penske Truck Leasing, and other automotive-related enterprises, including an Indy car racing team.

Last year, Penske Group purchased Longo Toyota, El Monte, Calif., the largest-volume Toyota dealership in the United States. Penske Group also has a Cadillac operation in Downey, Calif., where it sold 3,195 new units in 1986.

Both Potamkin Cadillac and Penske Cadillac are included in Automotive News' list of the Top 10 Cadillac dealerships in the United States in terms of new-car sales. Potamkin was second and Penske fourth.

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Old and new meet at GM Ohio stamping plant

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

At one end of General Motors' stamping plant in Mansfield, Ohio, a press transforms a flat piece of sheet metal into a rear door for a Chevrolet Corsica.

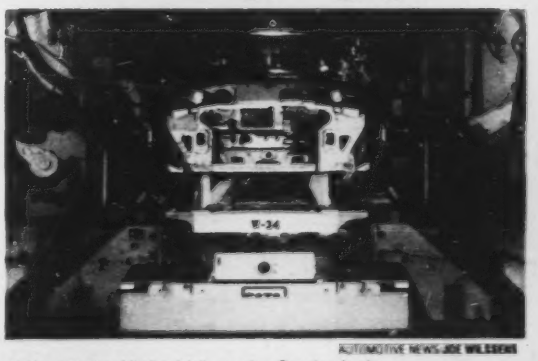
When it is time to switch to another part, the press stops. An overhead crane positions new dies weighing up to 40,000 pounds next to the press. Five or six men hook chains to the dies and drag them up into the press. Then they jockey the dies into place.

The process takes 8 to 12 hours, and there may be several more hours of adjustments and tryouts before a usable part is produced.

Within the same plant, new transfer presses also turn out Corsica doors. As the time approaches to switch from stamping out doors to another part, an overhead crane lifts the new dies onto a sliding platform as the press continues to run. The press stops. An overhead door, much like a garage door, opens on one side of the enclosed area that surrounds the press. The dies in the press drop onto a platform, which slides through the doors.

At the same time, doors on the other side of the press area open. The new dies slide into the press on the moving platform and lock themselves into place.

see ASSEMBLY, page 35



AUTOMOTIVE NEWS: JOE WILSEMS

Automated guided vehicle carries Corsica body